

From: John Gasparich <jgasparich@nmfa.net>

To: Nann Winter <NWinter@stelznerlaw.com>

Subject: [Email Open View Pro Free] Carnuel

Date: 2013-01-09 22:33:19

Hi Nann,

NMFA staff has recommended approval of the Carnuel project at 25% loan forgiveness based on a technical analysis of the Application. I believe that Carnuel/ABCWUA/Bernalillo County should have the opportunity to present their case for Carnuel's disadvantaged status and how additional loan forgiveness would benefit the area's residents.

Therefore I have asked that representatives of ABCWUA be invited to make a presentation to the Finance and Loan Committee when it considers the issue next week.

In my opinion this is an issue that requires review beyond the staff level. My hope is that we can come to the full board with a recommendation that will ensure that this project is completed timely.

John T

re

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From: John Gasparich <jgasparich@nmfa.net>

To: "NWinter@stelznerlaw.com" <NWinter@stelznerlaw.com>

Subject: [Email Open View Pro Free] Re: WUA/Carmuel Loan/Grant

Date: 2013-01-05 14:31:55

Thanks, Nann I will pursue this further.

John

-----Original Message-----

From: Nann Winter

To: John Gasparich

Sent: Fri Jan 04 22:55:03 2013

Subject: RE: WUA/Carmuel Loan/Grant

John, I just confirmed. This is not WUA debt; debt service is obligation of Carmuel and/or Bernalillo County.

nw

-----Original Message-----

From: John Gasparich [mailto:jgasparich@nmfa.net]

Sent: Friday, January 04, 2013 4:10 PM

To: Nann Winter

Subject: RE: WUA/Carmuel Loan/Grant

I just assumed the debt service on this loan would be one of the myriad costs that the WUA would include in its rate base. If that's incorrect we can evaluate their case for severely disadvantaged. Who should our Drinking Water staff talk to?

On the subject of Schott Solar, you might be interested in this news item that came out today:

John

-----Original Message-----

From: Nann Winter [mailto:NWinter@stelznerlaw.com]

Sent: Friday, January 04, 2013 3:51 PM

To: John Gasparich

Subject: RE: WUA/Carmuel Loan/Grant

There are no WUA ratepayers involved at all.

Other than providing engineering and admin support (and occasionally legal) there is no WUA role in this project, no WUA ratepayers at all.

I believe WUA would waive all UEC, assuming any remain after a PIPE subsidy.

-----Original Message-----

From: John Gasparich [mailto:jgasparich@nmfa.net]

Sent: Friday, January 04, 2013 3:45 PM

To: Nann Winter

Subject: RE: WUA/Carmuel Loan/Grant

I apparently misunderstood the environment issue. As I now understand it, the last 25% is predicated on the community being "severely disadvantaged". Guidelines are included in the application. Jana thinks getting to severely would be problematic since the additional subsidy would mostly benefit the WUA ratepayers who are not generally disadvantaged. Also, the funding for these loan forgiveness subsidies are running out so the WUA should move

John

-----Original Message-----

From: Nann Winter [mailto:NWinter@stelznerlaw.com]

Sent: Friday, January 04, 2013 2:33 PM

To: John Gasparich

Subject: RE: WUA/Carmuel Loan/Grant

John:

I'm back in the WUA saddle on this one ... what environmental issue causes the loss of the 25%.

I think I've got the UEC waived, but am working on it.

N

-----Original Message-----

From: John Gasparich [mailto:jgasparich@umfa.net]

Sent: Friday, December 21, 2012 6:04 AM

To: Nann Winter

Subject: Re: WUA/Carmuel Loan/Grant

Hi Nann,

I will check into it. Some staff are on leave during the holidays so it may take awhile, but I will get back to you as soon as I can.

John

----- Original Message -----

From: Nann Winter

To: John Gasparich

Sent: Fri Dec 21 00:39:03 2012

Subject: WUA/Carnuel Loan/Grant

John:

I'm inquiring into the possibility of a mediation or other meeting with relevant NMFA staff BEFORE Ryan Helton denies a grant package for Carnuel.

I received an e-mail from Frank Roth (with the WUA, as agent for Carnuel).

Several recent e-mails to him from Ryan Helton lead the WUA to believe an NMFA denial or reduced funding is in the works on the Carnuel Drinking Water application.

Here's what I know:

1. The WUA is applying for the funding on behalf of Carnuel to serve a disadvantaged community. Carnuel does not have the means to own and operate a water system. Therefore, the WUA has requested that 50% in addition to the 25% base principal forgiveness be applied for this funding application;
2. NMED has accepted all construction documents as complete and recommended the WUA be allowed to proceed with advertising etc.;
3. Ryan wanted all potential 52 users of the not-yet-bid-or-constructed system to sign user agreements;
4. Neither the City of Albuquerque nor Bernalillo County have a compulsory water connection requirement;
5. Carnuel had the NM Rural Water Association conduct a door to door median household income (MHI) survey in March 2012. The MHI for this project is \$18,000;
6. Ryan was not persuaded and instead used Census data. However, even a drive-by would demonstrate that the project service area is split by three block groups with each block group incorporating affluent areas of the east mountains or eastern Albuquerque which are not a part of the project service area (think 4-Hills and Paaco ... definitely not mobile home communities);
7. The NM Rural Water Association survey as well as other material supplied by the WUA indicate Carnuel and Tijeras are "severely disadvantaged".

It appears the size of this project could consume all available funds, but, that is NOT a reason to manufacture a denial.

Is there room to negotiate? Any other creative thoughts?

One last thought ... I know there is some belief that the WUA can just pick up the tab on this project, but \$15,000 in legal/admin fees is not the same as the \$8 mil this project needs.

I'm at your mercy ...

Nann Winter

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